

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION

A. SCHULMAN, INC.,

Plaintiff,

vs.

CARL I. SCHWARTZ

Defendant.

02-74765  
Case No.  
Hon. ROBERT H. CLELAND

MAGISTRATE JUDGE MORGAN

W. RICHARD BRAUN III, P55100  
MARTIN, BACON & MARTIN, P.C.  
Attorney for Plaintiff  
44 First Street, P.O. Box 2301  
Mt. Clemens, MI 48046  
(586) 979-6500

FILED  
2002 DEC 2 10 10  
U.S. DISTRICT COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION  
DETROIT

COMPLAINT

There is no other pending or resolved civil action arising out of the transaction or occurrence alleged in this complaint.

  
W. Richard Braun, III

NOW COMES Plaintiff, A. SCHULMAN, INC., by and through its attorneys, MARTIN, BACON & MARTIN, P.C., and for its Complaint, states as follows:

1. Plaintiff, A. Schulman, Inc. (hereafter "ASI") is an Ohio Corporation created and organized by and under the laws of the State of Ohio and, by virtue of said incorporation, is a resident of the State of Ohio and was not and is not a

W OFFICES OF  
RTIN, BACON  
IARTIN, P.C.  
FIRST STREET  
O. BOX 2301  
UNT CLEMENS,  
CHIGAN 48046  
86) 979-6500

corporation created or organized under the laws of the State of Michigan and was not and is not a citizen or resident of the State of Michigan.

2. Defendant, Carl I. Schwartz, resides in the City of Grand Blanc, County of Genesee, State of Michigan and is a Michigan citizen and resident.

3. Plaintiff ASI's principal place of business is Akron, Ohio.

4. This action involves a controversy between citizens of different states thus, it is an action over which the District Court of the United States is given original jurisdiction.

5. The amount in controversy exceeds \$75,000, the jurisdictional amount for cases in US District Court.

6. Defendant was the owner of Plastics Research Corporation ("PRC"), a Michigan corporation located in the City of Flint, County of Genesee.

7. PRC filed for bankruptcy and ended its operations in June of 2002.

8. When PRC ended its operations in January of 2002, it owed ASI \$76,508.00. (Exhibit A).

9. Defendant personally guaranteed payment of the obligations of PRC owed to ASI.

#### COUNT I

#### BREACH OF CONTRACT

10. Plaintiff realleges and reasserts paragraphs 1 through 9 as though fully set forth herein.

11. On the 13<sup>th</sup> day of March, 1989, ASI and Defendant mutually agreed and formed a personal guarantee contract whereby Defendant would personally guarantee the debts of PRC. (Exhibit B).

12. The above referenced contract was supported by mutual consideration.

13. ASI has requested Defendant to satisfy his obligations pursuant to the personal guarantee. (Exhibit C).

14. Defendant's failure to satisfy his duties and obligations under the personal guarantee constitutes a breach of contract.

15. ASI has been damaged in the amount of \$76,508.00 as a result of Defendant's breach of the personal guarantee.

WHEREFORE Plaintiff, A. SCHULMAN, INC., requests a judgment against Defendant in the amount of \$76,508.00 plus costs and expenses, including attorney fees.

**COUNT II**

**FRAUD**

16. Plaintiff realleges and reasserts paragraphs 1 through 15 as though fully set forth herein.

17. Defendant made a representation of a material fact to ASI when the parties entered into the personal guarantee contract.

18. Defendant represented that he would personally guarantee the debts and obligations of PRC.

19. Defendant knew the representation was false when he made it, or Defendant made it recklessly, that is, without knowing whether it was true.

20. Defendant made the representation with the intent that ASI would rely upon the representation and grant credit to Defendant's company, PRC.

21. Plaintiff relied on the false representation of Defendant and extended credit on Defendant's statements to PRC.

22. Plaintiff was damaged as a result of its reliance because PRC ended its operations owing money to ASI and Defendant has not satisfied his personal guarantee.

WHEREFORE Plaintiff, A. SCHULMAN, INC., requests a judgment against Defendant in the amount of \$76,508.00 plus costs and expenses, including attorney fees.

### COUNT III

#### MISREPRESENTATION

23. Plaintiff realleges and reasserts paragraphs 1 through 22 as though fully set forth herein.

24. Defendant made a representation of material fact to ASI that he would personally guarantee the debts of PRC.

25. The representation was made in connection with the making of a contract between ASI and Defendant to grant credit to PRC.

26. Defendant's representation was false when it was made.

27. ASI would not have entered into the contract and granted credit to PRC if Defendant had not made the representation.

28. Plaintiff had a loss in the amount of \$76,508.00 as a result of entering into the contract.

29. ASI's loss benefited Defendant, as owner of PRC.

WHEREFORE Plaintiff, A. SCHULMAN, INC., requests a judgment against Defendant in the amount of \$76,508.00 plus costs and expenses, including attorney fees.

MARTIN, BACON & MARTIN, P.C.

BY:



W. RICHARD BRAUN, III, P55100

Attorney for Plaintiff

44 First Street

P.O. Box 2301

Mt. Clemens, MI 48046

(586) 979-6500

Dated: November 27, 2002

AW OFFICES OF  
ARTIN, BACON  
MARTIN, P.C.  
4 FIRST STREET  
P.O. BOX 2301  
MOUNT CLEMENS,  
MICHIGAN 48046  
586) 979-6500

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION

A. SCHULMAN, INC.,

Plaintiff,

vs.

Case No.  
Hon.

CARL I. SCHWARTZ

Defendant.

\_\_\_\_\_  
W. RICHARD BRAUN III, P55100  
MARTIN, BACON & MARTIN, P.C.  
Attorney for Defendant  
44 First Street, P.O. Box 2301  
Mt. Clemens, MI 48046  
(586) 979-6500  
\_\_\_\_\_

**DEMAND FOR JURY TRIAL**

NOW COMES Plaintiff, A. SCHULMAN, INC., by and through its attorneys,  
MARTIN, BACON & MARTIN, P.C., and hereby requests a trial by jury in this action.

MARTIN, BACON & MARTIN, P.C.

BY:



W. RICHARD BRAUN, III, P55100

Attorney for Plaintiff

44 First Street

P.O. Box 2301

Mt. Clemens, MI 48046

(586) 979-6500

Dated: November 27, 2002

LAW OFFICES OF  
MARTIN, BACON  
& MARTIN, P.C.  
14 FIRST STREET  
P.O. BOX 2301  
MOUNT CLEMENS,  
MICHIGAN 48046  
586) 979-6500

**PROOF OF SERVICE**

The undersigned certifies that a copy of the foregoing instrument was served upon the attorneys of record of all parties to the above cause by mailing the same to them at their respective business addresses as disclosed by the pleadings of record herein, with postage fully prepaid thereon, on the 2nd day of December, 2002. I declare under penalty of perjury that the statements contained above are true to the best of my information, knowledge and belief.

  
\_\_\_\_\_  
Kimberly Bunch





**A. Schulman Inc.**
 Remit to: A. Schulman, Inc.  
 P.O. Box 74052  
 Cleveland OH 44194

\*\*\* REPRINT \*\*\*

Order No.: 0127474 / 00

Invoice No.: I100637

Invoice Date: 6/06/01

Payment Due: 7/21/01

Payment Terms: NET 45 DAYS AFTER INVOICE DATE

Customer Acct. No: 073569 / 000

Salesman: H. Leathers

Salesman No.: 074

**Total Due**

14,805.60

 PLASTICS RESEARCH CORP  
 3200 ROBERT T LONGWAY BLVD  
 FLINT MI 485064043

 Ship to:  
 PLASTICS RESEARCH CORP  
 3200 ROBERT T LONGWAY BLVD  
 FLINT MI 485064043

Order Number	Ship Date	Ship Via	Ship Terms	Bill of Lading	Gross Wt.	Tare	Net Wt.
0130259	6/06/01	BULK MATIC TRANSPORT	FOB DELIVE	L108473	75880.000	28120.000	47760.000

Item Number	Description	Quantity	Unit Price	Extension
3422BT	POLYPROPYLENE PP 1930L-01 NATURAL PART# 035-012-050 / 3422BT PART# 035-012-050	47760.000 LB	.31000	14805.60
SUB-TOTAL				14805.60

 Customer Service 800-547-3746  
 Thank You For Your Order

Page 1

**Total Amount**

14,805.60

P. 02/06

330 668 7205 TO 15864687016

NOV 07 2002 16:52 FR A SCHULMAN HO

**A. Schulman Inc.**
 Remit to: A. Schulman, Inc.  
 P.O. Box 74052  
 Cleveland OH 44194

\*\*\* REPRINT \*\*\*

Order No.: 0127475 / 00

Invoice No.: I100743

Invoice Date: 6/06/01

Payment Due: 7/21/01

Payment Terms: NET 45 DAYS AFTER INVOICE DATE

Customer Acct. No: 073569 / 000

Salesman: H. Leathers

Salesman No.: 074

**Total Due**

16,256.40

 PLASTICS RESEARCH CORP  
 3200 ROBERT T LONGWAY BLVD  
 FLINT MI 485064043

 Ship to:  
 PLASTICS RESEARCH CORP  
 3200 ROBERT T LONGWAY BLVD  
 FLINT MI 485064043

Order Number	Ship Date	Ship Via	Ship Terms	Bill of Lading	Gross Wt.	Tare	Net Wt.
130259	6/06/01	BULK MATIC TRANSPORT	FOB DELIVE	L108477	81200.000	28760.000	52440.000

Item Number	Description	Quantity	Unit Price	Extension
3422BT	POLYPROPYLENE PP 1930L-01 NATURAL PART# 035-012-050 / 3422BT PART# 035-012-050	52440.000 LB	.31000	16256.40
SUB-TOTAL				16,256.40
<b>Total Amount</b>				16,256.40

 Customer Service 800-547-3746  
 Thank You For Your Order

Page 1

P.03/06

330 668 7205 TO 15864687016

NOV 07 2002 16:53 FR A SCHULMAN HO

**A. Schulman Inc.**
 Remit to: A. Schulman, Inc.  
 P.O. Box 74052  
 Cleveland OH 44194

\*\*\* REPRINT \*\*\*

Order No.: 0127685 / 01

Invoice No.: I100883

Invoice Date: 6/07/01

Payment Due: 7/22/01

Payment Terms: NET 45 DAYS AFTER INVOICE DATE

Customer Acct. No: 073569 / 10B

Salesman: H. Leathers

Salesman No.: 074

**Total Due**

15,047.40

 PLASTICS RESEARCH CORP  
 3200 ROBERT T LONGWAY BLVD  
 FLINT MI 485064043


Ship to:

 PLASTIC RESEARCH CORPORATION  
 3200 ROBERT T LONGWAY BOULEVARD  
 FLINT MI 485064043

Order Number	Ship Date	Ship Via	Ship Terms	Bill of Lading	Gross Wt.	Tare	Net Wt.
# 130259	6/07/01	BULK MATIC TRANSPORT	FOB DELIVE	L108658	76960.000	28420.000	48540.000

Item Number	Description	Quantity	Unit Price	Extension
3422BT	POLYPROPYLENE PP 1930L-01 NATURAL PART# 035-012-050 / 3422BT PART# 035-012-050	48540.000 LB	.31000	15047.40
SUB-TOTAL				15047.40

 Customer Service 800-547-3746  
 Thank You For Your Order

Page 1

**Total Amount**

15,047.40

**Remit to: A. Schulman, Inc.**  
**P.O. Box 74052**  
**Cleveland OH 44194**

**\*\*\* REPRINT \*\*\***

**Order No.: 0127692 / 00**

**Invoice No.: I101216**

**Invoice Date:** 6/12/01

**Payment Due:** 7/27/01

**Payment Terms: NET 45 DAYS AFTER INVOICE DATE**

**Customer Acct. No: 073569 / 108**

**Salesman: H. Leathers**

**Salesman No.: 074**

**Total Due**

14,917.20

PLASTICS RESEARCH CORP  
3200 ROBERT T LONGWAY BLVD  
FLINT MI 485064043

**Ship to:**  
**PLASTIC RESEARCH CORPORATION**  
**3200 ROBERT T LONGWAY BOULEVARD**  
**FLINT MI 485064043**

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100 101 102 103 104 105 106 107 108 109 110 111 112 113 114 115 116 117 118 119 120 121 122 123 124 125 126 127 128 129 130 131 132 133 134 135 136 137 138 139 140 141 142 143 144 145 146 147 148 149 150 151 152 153 154 155 156 157 158 159 160 161 162 163 164 165 166 167 168 169 170 171 172 173 174 175 176 177 178 179 180 181 182 183 184 185 186 187 188 189 190 191 192 193 194 195 196 197 198 199 200 201 202 203 204 205 206 207 208 209 210 211 212 213 214 215 216 217 218 219 220 221 222 223 224 225 226 227 228 229 230 231 232 233 234 235 236 237 238 239 240 241 242 243 244 245 246 247 248 249 250 251 252 253 254 255 256 257 258 259 260 261 262 263 264 265 266 267 268 269 270 271 272 273 274 275 276 277 278 279 280 281 282 283 284 285 286 287 288 289 290 291 292 293 294 295 296 297 298 299 300 301 302 303 304 305 306 307 308 309 310 311 312 313 314 315 316 317 318 319 320 321 322 323 324 325 326 327 328 329 330 331 332 333 334 335 336 337 338 339 340 341 342 343 344 345 346 347 348 349 350 351 352 353 354 355 356 357 358 359 360 361 362 363 364 365 366 367 368 369 370 371 372 373 374 375 376 377 378 379 380 381 382 383 384 385 386 387 388 389 390 391 392 393 394 395 396 397 398 399 400 401 402 403 404 405 406 407 408 409 410 411 412 413 414 415 416 417 418 419 420 421 422 423 424 425 426 427 428 429 430 431 432 433 434 435 436 437 438 439 440 441 442 443 444 445 446 447 448 449 450 451 452 453 454 455 456 457 458 459 460 461 462 463 464 465 466 467 468 469 470 471 472 473 474 475 476 477 478 479 480 481 482 483 484 485 486 487 488 489 490 491 492 493 494 495 496 497 498 499 500 501 502 503 504 505 506 507 508 509 510 511 512 513 514 515 516 517 518 519 520 521 522 523 524 525 526 527 528 529 530 531 532 533 534 535 536 537 538 539 540 541 542 543 544 545 546 547 548 549 550 551 552 553 554 555 556 557 558 559 560 561 562 563 564 565 566 567 568 569 570 571 572 573 574 575 576 577 578 579 580 581 582 583 584 585 586 587 588 589 590 591 592 593 594 595 596 597 598 599 600 601 602 603 604 605 606 607 608 609 610 611 612 613 614 615 616 617 618 619 620 621 622 623 624 625 626 627 628 629 630 631 632 633 634 635 636 637 638 639 640 641 642 643 644 645 646 647 648 649 650 651 652 653 654 655 656 657 658 659 660 661 662 663 664 665 666 667 668 669 670 671 672 673 674 675 676 677 678 679 680 681 682 683 684 685 686 687 688 689 690 691 692 693 694 695 696 697 698 699 700 701 702 703 704 705 706 707 708 709 710 711 712 713 714 715 716 717 718 719 720 721 722 723 724 725 726 727 728 729 730 731 732 733 734 735 736 737 738 739 740 741 742 743 744 745 746 747 748 749 750 751 752 753 754 755 756 757 758 759 760 761 762 763 764 765 766 767 768 769 770 771 772 773 774 775 776 777 778 779 780 781 782 783 784 785 786 787 788 789 790 791 792 793 794 795 796 797 798 799 800 801 802 803 804 805 806 807 808 809 810 811 812 813 814 815 816 817 818 819 820 821 822 823 824 825 826 827 828 829 830 831 832 833 834 835 836 837 838 839 840 841 842 843 844 845 846 847 848 849 850 851 852 853 854 855 856 857 858 859 860 861 862 863 864 865 866 867 868 869 870 871 872 873 874 875 876 877 878 879 880 881 882 883 884 885 886 887 888 889 890 891 892 893 894 895 896 897 898 899 900 901 902 903 904 905 906 907 908 909 910 911 912 913 914 915 916 917 918 919 920 921 922 923 924 925 926 927 928 929 930 931 932 933 934 935 936 937 938 939 940 941 942 943 944 945 946 947 948 949 950 951 952 953 954 955 956 957 958 959 960 961 962 963 964 965 966 967 968 969 970 971 972 973 974 975 976 977 978 979 980 981 982 983 984 985 986 987 988 989 990 991 992 993 994 995 996 997 998 999 1000 1001 1002 1003 1004 1005 1006 1007 1008 1009 1010 1011 1012 1013 1014 1015 1016 1017 1018 1019 1020 1021 1022 1023 1024 1025 1026 1027 1028 1029 1030 1031 1032 1033 1034 1035 1036 1037 1038 1039 104

Order Number	Ship Date	Ship Via	ShipTerms	Bill of Lading	Gross Wt.	Tare	Net Wt.
# 130259	6/12/01	BULKMATIC TRANSPORT	FOB DELIVE	L108783	78540.000	28420.000	48120.000

Item Number	Description	Quantity	Unit Price	Extension
3422BT	POLYPROPYLENE PP 1930L-01 NATURAL PART# 035-012-050 / 3422BT PART# 035-012-050	48120.000 LB	.31000	14917.20
			SUB-TOTAL	14917.20
Customer Service 800-547-3746 Page 1				Total Amount 14,917.20

Customer Service 800-547-3746  
Thank You For Your Order

Page 1

## Total Amount

14,917.20

**A. Schulman Inc.**

Remit to: **A. Schulman, Inc.**  
**P.O. Box 74052**  
**Cleveland OH 44194**

\*\*\* REPRINT \*\*\*

Order No.: 0127691 / 00

Invoice No.: I101226

Invoice Date: 6/12/01

Payment Due: 7/27/01

Payment Terms: NET 45 DAYS AFTER INVOICE DATE

Customer Acct. No: 073569 / 10B

Salesman: H. Leathers

Salesman No.: 074

**Total Due**

15,481.40

PLASTICS RESEARCH CORP  
 3200 ROBERT T LONGWAY BLVD  
 FLINT MI 485064043

Ship to:  
 PLASTIC RESEARCH CORPORATION  
 3200 ROBERT T LONGWAY BOULEVARD  
 FLINT MI 485064043

Order Number	Ship Date	Ship Via	Ship Terms	Bill of Lading	Gross Wt.	Tare	Net Wt.
# 130259	6/12/01	BULK MATIC TRANSPORT	FOB DELIVE	L108781	78560.000	28620.000	49940.000

Item Number	Description	Quantity	Unit Price	Extension
3422BT	POLYPROPYLENE PP 1930L-01 NATURAL PART# 035-012-050 / 3422BT PART# 035-012-050	49940.000 LB	.31000	15481.40
SUB-TOTAL				15481.40

Customer Service 800-547-3746  
 Thank You For Your Order

Page 1

**Total Amount**

15,481.40



SQUIRE, SANDERS & DEMPSEY L.L.P.

4900 Key Tower  
127 Public Square  
Cleveland, Ohio 44114-1304

Office: +1.216.479.8500  
Fax: +1.216.479.8780



(216) 479-8686

May 10, 2002

VIA CERTIFIED MAIL

Dr. Carl Swartz  
Plastic Research Corp.  
3200 Robert T. Longway Blvd.  
Flint, MI 48506

Re: Payment Owed to A. Schulman, Inc. under the March 13, 1989 Personal  
Guarantee by Dr. Swartz (the "Guarantee")

Dear Dr. Swartz:

The undersigned and this law firm are attorneys for A. Schulman, Inc. Under the Guarantee referenced above, a copy of which is attached hereto, Dr. Swartz, as guarantor for Plastic Research Corp., promised to pay A. Schulman, Inc. within terms the outstanding balance of \$76,508.00 on invoices owed to it by Plastic Research Corporation for credit provided by A. Schulman, Inc. between June 6, 2001 and June 12, 2001.

It is now May 1, 2002 and Plastic Research is in payment default. Accordingly, by this letter, A. Schulman, Inc. demands payment from Dr. Swartz under the Guarantee. As legal counsel for A. Schulman, Inc., I am requesting that a check in the amount of \$76,508.00 made payable to A. Schulman, Inc. be forwarded to my attention by the close of business on May 17, 2002. Failure to submit such payment by that date shall result in further legal action to recover the outstanding balance owed to my client.

Please govern yourself accordingly.

Very truly yours,

Christine M. Pierpont

**THIS LAW FIRM IS ATTEMPTING TO COLLECT THE INDEBTNESS EVIDENCED  
BY INVOICES AND/OR THE GUARANTEE AND ANY INFORMATION OBTAINED BY  
THIS LAW FIRM OR A. SCHULMAN, INC. WILL BE USED FOR THIS PURPOSE.**





G U A R A N T E E

A. SCHULMAN INC.,  
Akron, Ohio 44309

Date MARCH 13, 1989

In consideration of your granting the credit requested below and because of certain benefits to us, the undersigned requests A. Schulman Incorporated to give credit to

PLASTIC RESEARCH CORPORATION  
316 LINCOLN STREET  
FENTON, MICHIGAN


hereinafter referred to as principal debtor, for goods which may be ordered by principal debtor to such extent as said A. Schulman Incorporated is willing, and in consideration of its so giving credit, the undersigned hereby guarantees to said A. Schulman Incorporated payment of the purchase price, as and when the same becomes due, for all goods for which credit is so given, and also payment on their respective due dates on any notes or other obligations which may be given by principal debtor in payment for such goods and of renewals and extensions thereof.

This guarantee shall continue until A. Schulman Incorporated shall receive from the undersigned written notice of revocation, which revocation shall be effective only as to payment of purchase price on goods ordered by principal debtor after the receipt thereof.

The undersigned waives notice of acceptance hereof and of purchase by principal debtor or default of principal debtor in making payments due, and authorizes the said A. Schulman Incorporated to extend the time for any payment guaranteed hereunder and otherwise to contract and deal with the principal debtor without notice to the undersigned and without the undersigned's consent in all respects at A. Schulman Incorporated discretion without affecting the undersigned's obligation hereunder.

The undersigned further waives any requirement that A. Schulman Incorporated institute legal proceedings against the principal debtor.

  
Signed

  
Title

\_\_\_\_\_  
Signed

\_\_\_\_\_  
Title

\_\_\_\_\_  
Signed

\_\_\_\_\_  
Title

  
Witnessed by

4/3/89  
Date

A. SCHULMAN INC.,  
Akron, Ohio 44309

Date MARCH 13, 1989

In consideration of your granting the credit requested below and because of certain benefits to us, the undersigned requests A. Schulman Incorporated to give credit to

PLASTIC RESEARCH CORPORATION  
316 LINCOLN STREET  
FENTON, MICHIGAN


hereinafter referred to as principal debtor, for goods which may be ordered by principal debtor to such extent as said A. Schulman Incorporated is willing, and in consideration of its so giving credit, the undersigned hereby guarantees to said A. Schulman Incorporated payment of the purchase price, as and when the same becomes due, for all goods for which credit is so given, and also payment on their respective due dates on any notes or other obligations which may be given by principal debtor in payment for such goods and of renewals and extensions thereof.

This guarantee shall continue until A. Schulman Incorporated shall receive from the undersigned written notice of revocation, which revocation shall be effective only as to payment of purchase price on goods ordered by principal debtor after the receipt thereof.

The undersigned waives notice of acceptance hereof and of purchase by principal debtor or default of principal debtor in making payments due, and authorizes the said A. Schulman Incorporated to extend the time for any payment guaranteed hereunder and otherwise to contract and deal with the principal debtor without notice to the undersigned and without the undersigned's consent in all respects at A. Schulman Incorporated discretion without affecting the undersigned's obligation hereunder.

The undersigned further waives any requirement that A. Schulman Incorporated institute legal proceedings against the principal debtor.

  
Signed


  
Title

\_\_\_\_\_  
Signed

\_\_\_\_\_  
Title

\_\_\_\_\_  
Signed

\_\_\_\_\_  
Title

  
Witnessed by

4/3/87  
Date